

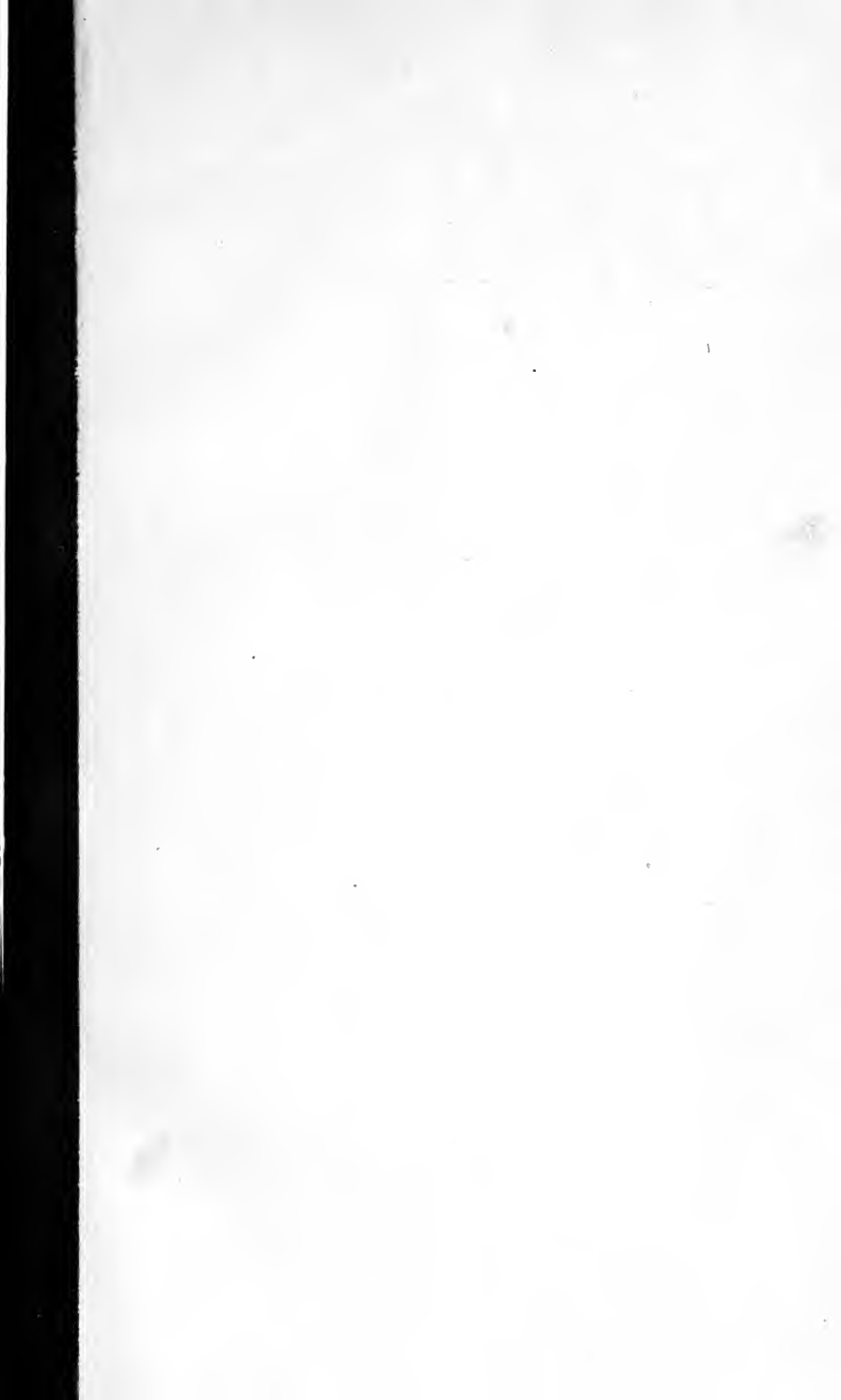
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parliamentary represent-
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DIRECT TAXATION

AND

PARLIAMENTARY REPRESENTATION.

BY

MR. JOHN LOUDE TABBERNER,

“““

WITH REMARKS THEREON BY

THE RIGHT HON. WILLIAM GLADSTONE, M.P.,

&c., &c., &c.

464 719
— 30.7.47

LONDON :

PUBLISHED BY EFFINGHAM WILSON, ROYAL EXCHANGE.

1860.



12, Cheltenham Terrace, Chelsea,
November 3rd, 1859.

SIR,

Having for some years given the subject of National Taxation a great deal of thought, I am thoroughly convinced that the adoption of an equable system of Direct Taxes is the only sound and proper policy for a people to act upon, in raising a public revenue to defray the expenses incidental to the governmental administration of the affairs of their country. And I am as thoroughly convinced that the Parliamentary Franchise should be based on the payment of those taxes, and on those taxes simply and only.

The axiom that those who pay the State expenses of the nation should have a voice in the Parliamentary representation of the country, ought to constitute one of our highest and most powerful constitutional rights. This right, as our national institutions and populations have increased, has become stultified—indeed, altogether lost—in a complicated system of Indirect Taxation, ever acting obstructively to the springs of industry, and adversely to the common weal of the nation. And I am further convinced that if a Reform Bill, conservative in principle, and comprehensively elastic and just in its working powers, is ever to be carried, it must be framed on a franchise founded—firstly, on the direct taxation of the acquired capital of individuals; and, secondly, on the practical industrial operations of the people; and that the Parliamentary representation of the people in the House of Commons must be regulated, in point of numbers, proportionably on the ascertained acquired money value, and the aggregate annual value of an individual status, which each constituency should be made to represent, in a combined tabulated form, on the *District Status Registrar's Returns*.*

I have applied my mind to the attainment of a uniform and economical system of Direct Taxation, which will reach every person's position, from the highest to the lowest status—a system which will gradually give the country the advantages of a Free Trade policy practically and completely, and foster a spirit of national emulation and economy in the public mind; and I am fully satisfied that the Parliamentary Franchise of the people can, by the policy I entertain, be better arrived at, and the basis of representation fairly secured, in a more advisable form and with greater reality, than by any other. The machinery of the whole may be brought into operation safely and gradually, without any risk of political commotion or social convulsion; and, when wholly established, will work as simply and uninquistorially in its various relations, as it will be found just and certain in the accomplishment of its objects.

* Which I propose to institute.

I shall be very glad to lay the whole of my views before you, because I believe you to be in earnest in the desire to produce a Reform Bill which shall be so expansive, safe, and practical in its character, as shall strengthen the liberties and satisfy the increasing intelligence of the people, and at the same time secure to the Throne and the Established Institutions of our common country the durable support and determined loyalty of every intelligent minded man; and if you will honour me with an interview, I shall not take up much of your time in orally explaining my ideas, which I can commit to paper and tabulate into a form intelligible to all.

In conclusion, I respectfully beg you will believe that my ideas of *Direct Taxation* are not based on *visionary data*—but on a practical formula—the result of much careful consideration and thoughtful deduction; and which I can work out in detail to reach fairly and positively every individual competent to pay taxes—to the realization of a revenue unoppressive and equitable in its bearings, and sufficient in amount to meet all the requirements of the State,

I have the honour to be,

SIR,

Your most obedient Servant,

JOHN LOUDE TABBERNER.

THE RIGHT HON. WILLIAM GLADSTONE, M.P.,
&c., &c., &c.

17, Downing Street, Whitehall,
7th November, 1859.

SIR,

I am desired by the Chancellor of the Exchequer to acknowledge the receipt of your letter of the 3rd November, and to add that he would suggest that it will be best, if you will have the goodness to send him your plan, in the first instance, in its written form; and that you might afterwards, if need be, have oral communication with him upon it.

I am, SIR,

Your obedient Servant,

CHARLES L. RYAN.

J. L. TABBERNER, Esq.

TO THE RIGHT HONOURABLE

WILLIAM GLADSTONE, M.P., &c., &c.

SIR,—Referring to my letter addressed to you, and dated the 3rd instant, and your reply thereto, dated the 7th instant, I now have the honour to convey to you an outline of my views upon Direct Taxation, as against Indirect Taxation; and also as to what I consider the proper basis on which to establish the Parliamentary Franchise of the people.

In the first instance, I will state the objects I desire to accomplish, viz.:—the gradual abrogation of all the Customs' Duties, and of all Indirect Taxes.

The establishment of—

Firstly—A Property Tax on a graduated scale, in the form of an individual property status.

Secondly—A Business and Professional Tax, in the form of an individual business and professional status, which shall include the condition of all public servants, clerks, assistants, and servants of every denomination.

Thirdly—A Residential Tax, in the form of a residential status, whether the residence be a house or a lodging.

And on these three direct taxes I propose to establish the permanent means of raising the public revenue, and the parliamentary franchise of the people.

To grapple with the difficulties which oppose the attainment of such a change in the mode of taxing the people for State purposes as I propose, it is essential I should briefly show why I consider the imposition of duties on foreign produce imported into this country as adverse to its best interests; and also why our Indirect Taxes, as at present imposed, are, for the most part, unjust in operation, and contrary to sound principles of economy; to which I will add my opinion as to—and endeavour to show the unfairness of—the income tax from earnings, as at present imposed. It will then be my desire to give you my views as to the political rights of the tax-payer, and how, in my opinion, his parliamentary franchise should be instituted and based; and, in conclusion, it will be my duty to show how my propositions may be carried into effect.

A country situated as England is—with her vast colonial possessions, and capable, by her industrial energies and acquired wealth, to command for her social and national elevation the resources and respect of all other nations—should not fail in her governmental administration to bring plenty within the reach of the humblest of her people. Notwithstanding all opinion to the contrary, it is to the physical and industrial energies of the working classes that England owes her greatness as a nation, and the higher classes their luxuries of life and acquired wealth; and to impose heavy duties upon foreign produce, is to deny to the working classes—to the people—a cheap market for the conveniences and necessities of their every-day life, and, in proportion as the produce of that market is made dear by taxation, to impair the physical strength of the country. Hence it should be the first duty of a Government to open all our Ports to the whole world *free* from imposts; and it should never be forgotten by that Government, that, as our country becomes a free market to all the world, and in proportion as our Imports thereby increase, so, by the first rule of commerce, will our Exports increase, our fields of industry enlarge, the resources of our nation become developed, and our wealth and civilization increased. With regard to Colonial Imports, it is just as much opposed to a sound commercial policy to charge such imports with a duty, as it would be to tax the produce of an inland county brought to a London market.

The Customs duties are directly a tax upon the goodness of Providence, and have a blighting influence on the industrial energies of the country. The produce of all nations is brought to us at a price it is, in some cases, impossible we could produce them at ourselves; whilst in others, it is impossible we could produce them at all. These fruits of the earth are transported to our shores in exchange for the produce of our own labour under those civilizing influences which offer plenty to all, but can only be obtained at a cost that our system of taxation makes grievous and oppressive to those least able to pay. In support of these observations, I would respectfully ask to what classes the following commodities of foreign produce are most necessary, and by what classes are the duties on such produce chiefly paid, viz. :—

On Tea	£5,186,171
„ Coffee	442,120
„ Sugar	6,051,801
„ Molasses	200,417
„ Currants	302,819
„ Raisins	129,411
„ Corn	586,783
„ Butter	95,489
„ Cheese	44,370
„ Tobacco and Snuff	5,454,216
Together..	£18,493,597

I am fully aware that the Customs duties are considered absolutely necessary to produce a revenue equal to the requirements of the State, and that every loyal subject unconditionally admits that such requirements must, under any circumstances, be met; but while we so admit that the public revenue must be forthcoming, surely it would be well to adopt such means to obtain it as would the least fetter the vitality of commerce and the physical powers and comforts of the working classes. I would feign believe that the present system of imposing duties on our Imports—so positively opposed to all our advanced notions of commercial progress, and to the actual development of our natural powers of competition—is only continued till some other system less prejudicial to the commercial interests of our country can be devised, to enable the Government to fully and completely accomplish the enlightened and provident policy of *Free Trade*.

With respect to our Inland Taxation,—the greater portion of which, as now imposed, is certainly collected from those who can least afford to pay. I will take, for instance, the following receipts from Excise duties, viz.—

On Spirits	£9,188,842
„ Malt	5,592,624
„ Hops.....	416,478

Together....£15,197,944

We find ourselves compelled by facts to admit that the largest part of this very heavy item is paid by the humbler classes of the realm; and we cannot, when we add to this amount of Inland Revenue the amounts raised by Customs duties as above stated, viz., £18,493,597—together, £33,691,541—levied on some of the first necessities of life, come to any other conclusion than that our system of indirect taxation is unjust in principle: and, if we further take the subordinate taxes, and learn that many of them bear unfairly upon the commercial operations of the country, whilst others act prejudicially to our social progress, we are bound to acknowledge that our public revenue is raised contrary to sound principles of commercial, political, and social economy: and, to bear out my latter remarks, I will mention the following imposts, viz.—

On Fire Insurances	£1,472,443
„ Marine „	287,071
„ Bills of Exchange.....	475,185
„ Bankers' Notes, &c.....	67,773
„ Receipts and Stamps.....	443,574
„ Paper.....	1,281,023
„ Licenses, &c.....	218,500

Together..£4,245,569

It cannot be denied that these several taxes press very heavily and unfairly on the commercial operations of the country. Such imposts as the Fire Insurance Stamp tend to suppress a proper sense of provident precaution against casualties too often ruinously calamitous; while the Paper Duty and Newspaper Stamp most certainly obstruct the diffusion, and consequently the progress, of knowledge. I am fully aware that, within the last few years, great ameliorations have been accomplished. The repeal of the Window, Brick, and Soap Duties has tended to improve the sanitary condition of the poorer classes, and evidences the anxiety of our Legislature to raise the public revenue in a manner the least prejudicial to those classes; still much, indeed I may say almost everything, remains to be done for the physical and moral improvement of the humbler orders, under the head of "National Taxation." Indirect Taxes of every description, although they have long been most patiently borne, are opposed to the true genius of the English people, and it is my humble opinion that the moment they acquire the knowledge to enable them to think rightly on the subject of their obligations to the State, and of the obligation of the latter to themselves, they will no longer submit to the present system, which first denies them the necessaries of life at the cheapest source, (thereby contracting their means of subsistence, and debilitating their physical and industrial energies,) and then compels them to labour bodily and mentally to pay the fiscal burthens of the country. The Government of a country should provide a means of raising the necessary public revenue on a direct, uniform, and equitable principle, which should first afford to the working man the cheapest market for all the necessaries and conveniences of life; and, when he is in possession of health, stamina, plenty, and industrial freedom, then call upon him to pay his fair share of his country's public burthens. We should then find him cheerfully and loyally respond to the call of the State, unembittered by the heart-burnings and distresses incidental to the collection of indirect taxes.

The *Income Tax* from earnings, in its present form, is manifestly unjust in its operations, and acts in a manner unfairly and oppressively to mental and bodily energy. The object for which taxes are imposed is to provide for the making, sustaining, and duly administering laws which shall have for their object the protection of life, liberty, and property, equally and impartially. To illustrate my views practically, I will instance two drapers living in the Strand, under equal assessments, with equal capital in their business, requiring alike the same protection of the laws of their country, and in like possession of constitutional rights. One of these drapers shall be a clever, active, intelligent man, and by dint of his industry, intelligence, and prudence, shall earn an income of £2,000 in a year, as profits out of his business. The other shall be a man of steady, plodding habits, yet without that shrewdness which will earn him £2,000 in a year, like

his neighbour; indeed, with all his exertions, he can only make a living out of his business—say £400 in a year. Is it fair or right that the man who gets £2,000 as his year's earnings—three-fourths of which he probably invests, and pays a property tax upon—should pay, as he does do under the present system, £33 6s. 8d.* for the year *more* than the man who does nothing permanently for the State, simply because the former has taken pains to make himself a better man of business and a more valuable subject than his neighbour? In my opinion, these two drapers should be taxed equally—*i.e.*, with the same given amount of tax on the year's business operations; and, at the expiration of the year, when the one who has saved, say £1,500, and, having invested it, finds himself in permanent possession of an income from it, as from acquired property, he may be justly called upon to pay additional taxation in the form of a property tax, because his stake in the country is then so much larger than his neighbour's. Now, which of the two is the most valuable man to the State? Certainly he that raises up a permanent capital to the benefit of it! Why, then, should he be prejudicially taxed?

Again, I will suppose two merchants in the City, employing the same amount of capital, and extending their business operations over the same ground, requiring alike the protection and guardianship of the laws of their country—one shall find at the end of the year that his profits amount to £5,000, while the other finds his profits amount to £1,000 only. Is it fair that, without possessing greater national privileges or security than the other, the one should be made to pay £104 3s. 4d.* as taxation for the year, while the other is made to pay only £20 6s. 8d.*? The latter, at the expiration of the year, invests, probably, his £500 at 5 per cent., and permanently pays a property tax upon his income therefrom of 10s. 5d.* only a-year, while the former probably invests his £4,000 at 5 per cent., and permanently pays a property tax on his income therefrom of, say, £4 3s. 4d., or eight times as much as his fellow citizen.

I will further instance two barristers. One shall have burnt the lamp of life in hard study, and brought himself to a position which shall have acquired him a practice worth £3,000 a-year. His learned brother up-stairs shall not have so exerted himself, and is satisfied with a practice worth £300 a-year—just enough for his subsistence. The former shall save £2,000 out of his £3,000, and invest it at, say 5 per cent. at the end of the year, producing to the State a capitalised income of £2 1s. 8d. Is it right or fair that the mental efforts of this barrister should be taxed, as he would be under the existing income tax, £62 10s.* on his year's labour, while his learned brother, who has done nothing whatever for the permanent benefit of the State, would only be taxed £6. 5s.*?

These Drapers, Merchants, and Barristers should, according

* Calculated at 5d. in the £.

to their respective callings, each be made to pay a given sum as a status tax. They would then pay equally for the protection they *equally* receive from the due and proper administration of the laws of their country. Like comparisons could be made in every branch of trade, and in every profession ;—on the year's operations, all should be taxed equally, for the protection each equally and impartially receives by the just administration of the laws ;—and hence my opinion that the institution of an equable individual business and professional status-tax would afford a just principle upon which to raise one portion of the public revenue.

A tax on acquired property is the first tax that a Government can, *upon* principle, ask a people to pay. Property in possession requires immediate and safe protection. It is a fundamentality of the State, and the shield and authority of the latter are essential in its first and every form and station ; and in proportion to the greatness of its value, the greater the obligation of its possessor is to the State. It is, therefore, reasonable and just, that acquired property should be taxed firstly and accordingly for the public requirements of the State. I propose to establish a Property Tax in the form of a property status on a graduated scale upon the principle that the possessor of a small income has not so great a stake in the country to be protected by its laws, as the possessor of a larger income ; and in proportion as that stake increases in value, an increased tax should be made upon it in an increased ratio. It would be unfair to tax an income of £100 from acquired property on the same scale of per centage as you would charge on an income of £500 ; and as unfair to make the same rate of charge on the latter, as you would on an income of £5,000. The responsibility of the law, though equal in its obligation to protect each property, is nevertheless more valuable to the possessor of £5,000 a-year than to the possessor of £500, or of £100 a-year ; and in proportion as such guardianship of the law increases in value and responsibility to him, he ought in justice to be made to pay a proportionably increased per centage as a tax upon his income. The due administration of settled and conservative institutions protects a larger and more important social status to a man with an income from acquired property of £100, than to a man with an income of only £10 ; and still more so to a man with an income of £1,000, than to a man with an income of £100. It may be urged that property producing an income of £1,000 a-year does *now* pay a larger amount to the State than that producing but £100 a-year ; and that all property ought to bear an equal per centage of taxation. I, however, hold that the increased social status given by *increased income* should be brought into consideration. In proportion as a man's income from acquired property increases, his social and political influences expand (or should do so)—his status in the country enlarges—and his obligation to the State, which conserves his position, increases ; so, in proportion

to the social importance of that position, ought his share of the fiscal burthens of his country to increase.

The reason why a business or professional status tax should be charged at a less rate and on a more limited basis than the tax made on income from acquired property is self-evident. There is always great risk in the employment of money in any trade, since income therefrom is precarious: while, generally speaking, the individual supervision of the principal is continuously required in the conduct of his business. His money, time, and energies are thus devoted, not only to his individual aggrandizement, which is ever fluctuating, but to the *certain* benefit of the nation at large, in the development of his country's resources and in the employment of the dependent classes.

Capital employed in trade is, therefore, made useful to the State in a threefold manner. It is made the means of creating national wealth from *natural sources*, of giving subsistence to the people, and of sustaining the integrity of the State; but while so employed, is always in *jeopardy*. It is, therefore, clear to my mind that the man who subjects his money, his time, and his energies, to all the risks and changes incidental to their investment in trade, should not be taxed on the same basis as a man who invests his money without risk, and lives on the income therefrom without work, or the cares and reverses inseparable from all business pursuits. A professional man's capital is his intellect, and what he acquires as income is, as it were, created by his own mind, and must necessarily be uncertain;—nevertheless, his mind is a contributory to national wealth—in some instances conceiving and propounding new means of employment to the capitalist, and creating new springs of industry—in others, advancing the arts and sciences, which increase the domestic comforts of all, and elevate the social standard and moral power of the nation. It must, therefore, manifestly be a great injustice to tax incomes derived from professional earnings, as is now done, on the same basis as incomes from realized property.

Incomes from salaries and wages are also uncertain, depending entirely on the recipient's exertions, his health and constant employment; and although in some instances not so precarious as in others, still in no instance so certain as income from acquired property. It would, therefore, be equally unfair to tax such incomes at the same rate as the former; and it must ever be borne in mind, that whatever a man may save out of his income from earnings—whether from trade, profession, salary, or wages—such saving becomes, as in the saving of income from acquired property, capitalized to the permanent annual benefit of the State. From the explanation I have given of my views on the income tax from earnings, as now imposed, it will have been further understood why incomes from business and professional earnings should not be taxed on the same principle as incomes from acquired property, nor income from salaries at the same rate as the latter.

As to a RESIDENTIAL STATUS TAX—I take every person having a residence as living with means under one of three circumstances. The first, as having an income from acquired property; the second, as having an income from earnings; and the third, as having incomes from property and earnings. Those who have no income either from property or earnings of course, as a rule, can have no residence except by sufferance, which cannot be considered a status. By residence I mean wherever a person resides—whether he occupies a house or only lodgings. A householder letting lodgings, I treat as a tradesman—the letting of lodgings being a source of income from earnings attended with risk like trade is. A person who holds a house pays parochial and local rates; a person living in lodgings is not so burthened. I therefore treat both as under an equality of obligation to the State. A person residing on the premises where he conducts his business or profession, I propose should be charged upon half the assessment of the holding as a residential status.

For the purposes of taxation, I consider, next to a property status and a business and professional status, the residential status is the best, and, indeed, is an integral part of the former; and I am of opinion that the three statuses, properly adjusted and established, would constitute together the most direct, the most economical, and the most equable means of raising the public revenue of the country; and that they would be found, under all circumstances of the State, quite equal to the realization of any amount of revenue which might be required. Taxes so imposed would fall fairly on every person, according to his ability to pay them, without affecting the prices of the conveniences and necessities of life; and such a mode of raising the revenue as I propose would be the least oppressive, the least troublesome to collect, and the *most* willingly responded to by the people. A residential status I also consider important in a social point of view, and, with the status from earnings, one which would foster a spirit of emulation in the working orders, induce moral results, and afford valuable statistics to the State.

THE PARLIAMENTARY FRANCHISE. I now beg to give my views with regard to the establishment of the parliamentary franchise of the people on the taxes I propose to institute. I consider that every holder of a property status representing an annual income from acquired property of £10 and upwards, being an adult male, should have a vote for a representative in Parliament.

I further consider that every holder of a status—whether a business or a professional man, public servant, clerk, operative, or servant of any denomination—representing, according to a given *paid* tax, an annual income from earnings of £50 and upwards, and being an adult male, should have a vote for a representative in Parliament.

No holder of any status whatever (excepting as I shall hereafter propose) should have a vote for a representative in Parlia-

ment unless he shall have resided three months within the borough or county prior to any election in such borough or county; and in no case should he have more than one vote, excepting when the property status shall represent a clear annual income from *Freehold* property of 40s. and upwards. In all such cases, the holder of such freeholds should have one vote for every county in which such freeholds shall be held.

In the event of any person not being able to qualify to take out a status representing an annual income of not less than £50, owing to his having been out of employment for any term not exceeding three months previous to the day to be fixed in each year for the granting of all statuses, and yet having, during the period of six months prior to any Parliamentary election in the borough or county where he shall reside, sustained a residential status, *as a lodger*, representing a rental of not less than £12 per annum, without change of residence, such person, being an adult male, should be considered as living on his past savings, and entitled to vote for a representative in Parliament by virtue of his residential status only.

In the event of any person not being able to take out a status representing an income from earnings of not less than £50 per annum, owing to the want of employment during any term not exceeding three months previous to the day to be fixed in each year for the granting of all statuses, and having, during the period of six months prior to any Parliamentary election in the borough or county in which he shall reside, sustained a residential status *as a householder*, representing an assessment of not less than £6 per annum in any borough, and of not less value than £10 per annum in any county, without change of residence, such householder, being an adult male, should be considered as living upon his past savings, and entitled to vote for a representative in Parliament by virtue of his residential status only.

Without the production of a Status Certificate, which should be in the form of a receipt for the status tax, no person should be competent to record his vote.

I have given the lodger and the householder votes under the circumstances and statuses above mentioned, having regard to the householder being liable to pay parochial and local rates, the lodger not being so liable.

It will be perceived that I propose to base the Parliamentary franchise of the country on *bonâ fide* taxation—and on nothing else—and on such a principle as may, at any future period, be extended to classes earning less than £50 per annum, if the education of those classes should hereafter justify Parliament in giving them the franchise. In my opinion, every person in the realm ought to be brought under the immediate cognizance of the State in such a manner as should secure a just estimate of every man's claim to political rights; and such estimate can only be constitutionally formed by the amount of taxes each contributes to the public revenue. I believe the franchise I

propose will embrace the intelligence of the country and all who, by the amount of their education and industry, are entitled to, and capable of correctly estimating the obligation of, their political rights.

It is now my duty to proceed to give an outline of my views as to how my propositions may be carried into operation in detail.

In order to establish an equitable system of taxation and Parliamentary representation, I am of opinion that a property status tax, and business, professional and residential status taxes, should be imposed; I, therefore, propose—

That a Property Status Tax be levied on incomes from all acquired possessions, whether of freehold or leasehold lands, freehold or leasehold houses, money at interest, investments in public companies, in public and all other securities, and whether the individual possession of either be small or large in amount—such property and the income derived therefrom, to be represented in the form of a property status paper, in which every description of property, and the amount of income derived therefrom, shall be clearly set forth—and the latter taxed on the following sliding scale, viz.:—

On all Incomes under	£50—3d. in the £.
“ “ Of £50 and under 100—4d.	“
“ “ 100 “ 250—6d.	“
“ “ 250 “ 500—8d.	“
“ “ 500 “ 1,000—10d.	“
“ “ 1,000 “ 2,000—1s.	“
“ “ 2,000 “ 3,000—1s. 3d.	“
“ “ 3,000 and upwards—1s. 6d.	“

Every adult Male holding a property status representing an income of £10 per annum and upwards, should be entitled to a vote for a representative in Parliament for the borough or county in which he shall reside, and in every other county in which he shall be the owner of a freehold property of the yearly value of 40s. and upwards.

In order to make myself understood with regard to my proposition to impose an individual status to represent income from earnings of every business, profession, or calling, public servant, assistant, operative, or servant, whether domestic or otherwise, it will be necessary to give the following concise explanations. I will, however, in the first instance, observe that it must be borne in mind that I propose treating all shares and stocks in public companies as acquired property, and therefore both will be required to be set forth in the property status of the holder of such property. If no dividends are paid, of course no tax will be charged on such property.

To arrive at the status of a Banker—whether an individual or public company—I have to consider that a banker is a dealer in money; he borrows and lends; money is his means of earning

money. I propose to establish his business status on his means of earning an income, viz.:—the amount of capital he employs in his business. I want nothing to do, in his business status, with how much he gets during the year by the employment of his capital. If he gets more than he spends, I shall have it set forth in his acquired property status the next year. I would, therefore, charge him a given per centage on the capital he employs, according to amount, in the form of a business status tax.

A Merchant, a Bill and Discount Broker, a Stock Jobber, a Factor, and all such trades (whether individuals or public companies), I should treat as I do a banker, on the ground that they are not producers, but dealers in either money, that which represents money, or money's worth. I therefore would charge a given per centage on the capital employed according to amount, as the business status tax of each.

Life and Fire Insurance Companies, Annuity and Guarantee Societies, Loan and Land Societies, Drainage and Telegraph Companies, and all such—not being producers—I treat as a merchant, &c., and charge a given per centage on the capital employed according to amount, as the business status tax of each.

Dock Companies, Wharfingers, Granary Keepers, and all such. I consider space best indicates the means of acquiring income in these trades; I therefore would charge a given per centage on the assessed value of the property according to amount, as the business status tax of each.

Railway Companies. The assessed value of railway property would be the fairest way of establishing their business status. It would be unfair to charge a per centage on their capital upon which they declare dividends, as a good deal of that capital is not represented by any working means—indeed, nothing exists to represent it. I therefore should charge a given per centage on the assessed value of all buildings and tenements, and of the line of railway according to the amount; and another charge according to the aggregate number of carriages and trucks employed—say a given sum for every carriage, &c.—as the business status tax of each.

Water Companies, and all such—I should charge a given per centage on the capital employed according to amount, as the business status tax of each.

Ship Owners—whether public companies or individuals—I should charge a given sum per ton, according to the number and tonnage of vessels, as the business status tax of each.

Manufacturers, Colliery, Mine, and Quarry Owners, Railway Contractors, Builders, &c., Printers, &c., and all such—whether individuals or public companies—I would charge according to the number of hands employed and the amount of wages paid; on the ground that the amount of labour done best indicates what is being done, and the amount of capital employed. I therefore should require a return of the aggregate number of hands

employed, and the amount of wages paid during the year; and on the latter I would charge a given per centage according to amount, as the business status tax of each.

Retail Tradesmen—whether individuals or public companies. The situation and extent of the premises in which a retail tradesman carries on his business is supposed to best indicate his means of acquiring an income, the annual value of such premises being more or less according to the eligibility of the locality for business. He cannot be acted upon through his capital, as a good deal of that, as a rule, is credit with the merchant or manufacturer. I should, therefore, take the assessment of the premises as the basis on which I would establish his status, and charge a given per centage according to amount, as the business status tax of each.

Hotel Keepers, Publicans, and Coffee-house Keepers, I would treat as retail tradesmen—the two first being obliged to pay for licenses during the existence of wine, spirit, malt, and hop duties.

Brewers. Those who confine themselves to supplying public houses, and which houses shall exclusively sell the beer of one brewer. I should require the quantity of beer or ale brewed, the number of houses supplied and the assessed value of the latter, and upon that value I would establish the status and charge a given per centage thereon according to amount, as the business status tax of each. In all cases where the brewer shall supply houses not exclusive in the sale of his beer, a moiety of the assessment of the house to be taken as the basis in estimating his status tax.

Brewers (who supply private families only). Space and situation being the best indication of the trade done, I should take the assessment of the premises on which to establish status, and charge a given per centage according to amount, as the business status tax of each.

Maltsters and Distillers. So long as the present duties are continued on malt and spirits, I would establish the status on the assessment of the premises, and charge a given per centage thereon according to amount, as the business status tax of each; and I should modify the basis of the tax as the abolition of the duties is accomplished.

Farmers. I should take the value and acreage of land, and charge a given per centage on the amount of rent according to the number of acres, as the business status tax of each.

The above brief explanations will, I doubt not, suffice to show how I would establish a business status tax to represent income from earnings in different trades. The means which best indicate the earnings of every trade and calling (not professional) may be readily arrived at, and the basis upon which to establish the statuses in each, easily defined and permanently adjusted.

All Professions—whether Barristers, Solicitors, Physicians, Surgeons, &c., Civil Engineers, Architects, Surveyors, &c.,

Artists, &c. I would establish a specific status for each at a given sum ; and those professions in which grades exist, I should vary each in amount.

It will be readily perceived that when the basis of each business and professional status is adjusted, and the whole classified, no future difficulty can arise—as, according to the necessities of the State, the amount of tax may be increased or reduced by any given per centage.

Public Servants under the Crown, Servants in the Public Pay, the Military, Naval, and Civil Services, Commercial Clerks, Assistants, Operatives, Domestic and all other Servants. Whatever the yearly earnings of each may be in amount, should be represented and clearly set forth in a status paper, and each should be charged with a status tax according to the following scale, viz. :—

On all Incomes from Earnings under £50—1d. in the £.

„	„	of £50, and under ..	100—2d.	„
„	„	100	250—4d.	„
„	„	250	500—5d.	„
„	„	500	1,000—6d.	„
„	„	1,000	2,000—8d.	„
„	„	2,000	3,000—10d.	„
„	„	3,000 and upwards ..	—1s.	„

All adult Males holding a business professional status, and all Public Servants under the Crown, Servants in the Public Pay ; Military, Naval and Civil Services ; Commercial Clerks, Assistants, Operatives, Domestic and all other Servants, holding a status representing an income from earnings of £50, and upwards, should be entitled to a vote for a representative in Parliament for the borough or county in which he shall reside.

In all cases where Servants and Assistants are in receipt of board, lodgings, and wages, which together shall form an aggregate value equal to an income from earnings of £50, and upwards, they should be considered as earning that sum, and be compelled to take out his or her status paper, and pay the tax of 2d. in the pound accordingly.

Residential Status Tax—I propose that every occupier of a house, and every occupier of lodgings in any house, shall be compelled to take a residential status and pay a tax thereon according to the following scale, viz. :—

On all houses under the annual value,
and all lodgings under the annual
rented value of.....£10 3d. in the £.

On all houses of the annual value, and
all lodgings of the annual rented value

Of £10 and under	£25	6d.	„
Of £25 „ „	£50	9d.	„
Of £50 and upwards		1s.	„

If any Householder or Lodger shall exchange his or her* residence within the year ensuing the date of his or her status, for another residence of a higher annual value than that set forth on his or her status certificate, as taken out at the commencement of the status-year, he should be required to have the latter endorsed by the Registrar of Statutes, and pay the difference between his first status and the one his exchange of residence necessitates.

No residential status should entitle either Householder or Lodger to a vote for a representative in Parliament, except in such cases as I have set forth under my provisions for the Parliamentary franchise.

The *Penalty* for not taking out, in due form and course, any and every status as proposed, should be the loss of a *locus standi* in a Court of Law;—so that any individual not being in possession of a status paper truly setting forth all his or her property and the income derived therefrom; and any individual not being in possession of his or her status paper, in which his or her status (whether business or profession) is not truly set forth; and any individual deriving income from the public service, from salaries or wages, not being in possession of a status paper truly setting forth the amount of such income; and any individual not in possession of a residential status truly setting forth (in case of a householder) the yearly value of the residence—and (in case of a lodger) the yearly rented value of the residence; shall, in every such instance, be without redress, and unable to sue (except in *forma pauperis*) in law.

It will, on reflection, be readily perceived that this latter provision will be ample security to the State, for every individual duly and properly taking out a status paper according to the absolute amount of his or her property and the income derived therefrom, the condition of his or her calling, or the value of his or her residence; and I think no one can question its simplicity, its justness, or its efficiency.

I propose that the amount of taxation to be levied in the first instance on the respective statuses shall be increased, to meet the necessities of the State, in proportion as the Customs duties and indirect taxes are gradually reduced and finally abolished.

The way I should carry out the granting of the statuses, as proposed, and the collection of the taxes imposed thereon, is very simple. For a given number of the population I would establish a District Status Office, at which on, and within a given number of days after, the 1st of July in every year, every person in such district should be required to take up his or her status, and to pay the tax due thereon. Status papers should issue from the District Status Office, and be left at every residence and place of business or profession within each district, three months before the 1st of July in every year; which paper should be filled up by, and according to the status of every individual, and sent or taken to the District Status Office, where it should be passed

* The feminine pronoun has reference to *taxation* only.

into account, the status registered, and the status tax paper in the form of a Status Certificate, duly made out against the 1st of July.

At all Parliamentary elections, polling-booths should be erected in each status district, and all entitled to vote within such district should be required to record their votes there, and nowhere else. And any one personating a voter should, on conviction, receive a punishment not exceeding two years' imprisonment, with hard labour.

In the adoption of the views I have herein set forth, the first thing for consideration will be as to the limit of earnings to which, in the first instance, each status shall descend and become instituted; and I would propose that, until the abolition of such of the Customs duties as tea, coffee, sugar, &c, is commenced, and reductions on the malt and spirit duties, and the abolition of the paper duty and the stamp on newspapers, have been effected, the status from earnings should not descend lower than £50 per annum. Nor should the residential status descend lower than the annual assessed value of £6 in case of a householder, nor lower than a £12 rental in case of a lodger: and that virtually until such abolitions and reductions commence, the property status tax, the business and professional status taxes, and the statuses from salaries and wages and the residential status, should only be adopted instead of the property, income, and house taxes, as they now exist;—but simultaneously with such abolitions and reductions, all the statuses I have proposed should be carried out to the fullest extent, and the amount of each tax increased as such abolitions and reductions progress.

It may be supposed that the Parliamentary franchise will not, in the first instance, be considered a sufficient equivalent for the status on earnings: as low as £50 per annum; but it must be borne in mind, and the classes so called upon to pay such tax must be brought to understand, that acquired property has hereby been made to bear an equitable share of the fiscal burthens of the State; and with an explanation that the status taxes, as proposed, are to be permanently founded for the progressive expansion of political rights, and for the immediate relief of the working and lower orders from oppressive duties on the first necessities of life; and ultimately to do away with all indirect imposts. In conclusion, it is my opinion that any measure having for its object the carrying into law the propositions I have herein made, will meet with the hearty and honest support of the people.

I have the honour to be,

SIR,

Your most obedient Servant,

JOHN LOUDE TABBERNER.

12, Cheltenham Terrace, Chelsea,
November 22nd, 1859.

Downing Street, Nov. 25th, 1859.

SIR,

I had the honour yesterday to receive your letter dated the 22nd.

You have set forth your views with clearness and ability; but it appears to me that the great and critical changes which you recommend are fitter subjects for discussion among the public at large, and especially the classes more competent to sift questions of such a nature, than for any declaration of official opinion.

I have no difficulty, indeed, in saying that it is desirable in a high degree, when it can be effected, to connect the possession of the franchise with the payment of taxes, and likewise to establish the right of the individual voter by reference to some external and independent standard: but I am not able to say that I think the State could adopt the modes which you propose for establishing those principles; and, as regards fiscal changes, there is much both in your premises and your conclusions on which I must crave permission, at the least, to suspend my judgment.

I have the honour to be,

SIR,

Your obedient Servant,

W. E. GLADSTONE.

J. L. TABBERNER, Esq.

FURTHER EXPLANATORY REMARKS.

THE views I have put forth in the foregoing Letters have necessarily been written as briefly as the subjects treated will allow of in order to be understood. In referring to some comments of a public critic on my views, expressive of doubt as to whether I sufficiently appreciate "the circumstances under which two men of equal merit in all respects may earn, the one a small, the other an ample income;" and alleging that "the moment a financier or a philanthropist approaches the question of the suffrage, he turns his back upon the main body of rational and clear-headed reformers," I beg to remark that, with respect to the first of these conclusions, although concisely, I think I have yet, emphatically, distinguished the several grades of income, whether arising from acquired property or from earnings; and, with regard to men of equal merit earning smaller and larger incomes, I have treated all as equally obligated to the State, and to the just administration of the laws, according to their respective callings. Incomes from acquired property, whether from freehold or leasehold land or houses, money at interest, investments in public securities, public companies, &c., I have proposed to tax according to the amount, on a separate and independent basis to that of incomes from earnings; and, when I descend to the latter, I believe every person in every trade and profession, and every person in every description of employment, will be taxed by the scheme I have propounded impartially and fairly, according to his ability to pay, without the inquisitorial infliction of an official investigation of their accounts. I am fully aware of the value of constituted laws to every one, whether to the princely merchant or the working mechanic, and that, although the social position of the latter is not so great and publicly influential for the State to protect as the former is, yet, as far as a living position goes—which is everything everywhere to the working man—it is as equally important to him to have his rights and liberty faithfully shielded by just laws, as it is to the duke to have his title to his broad acres secured to him, and his social dominion upheld, by a settled and unchangeable principle of inherent right; and it is most certainly my object to make each pay his fair and equitable share of the fiscal obligations of his country,—but that only.

A man earning, by his intellectual capital, a large income, ought not to pay more to the State—as for income from earnings—than a man who earns a smaller income from a similar source; the one earning the larger sum not being under any greater

obligation to the State, materially speaking, than the one earning the smaller sum. He does not, *as a citizen*, put the State to any greater cost than his compeer. They may be men of equal merit, yet not equally thrifty, nor equally favoured by circumstances; the mere fact, however, of their being of equal merit is not a sufficient reason why the one should be so much more heavily taxed, simply because he is the most thrifty of the two. The latter, under any circumstances, is, in a fiscal sense, the most valuable subject of the State, and his being so is not a logical reason for his being the more heavily burthened; on his accumulations beyond his expenditure he of course ought to be proportionably taxed, as upon income from acquired property, because his obligation to the State becomes enhanced. To make my meaning still more clear, I will suppose two literary men of equal merit—one shall write a book of a popular character, and shall obtain for his manuscript £1,000; the other shall write a work equally clever, but not of so popular a character, yet really of greater practical use, and shall sell his manuscript for £500 only. These two men of equal merit, using their talents under different auspices, the one obtaining a large income, while the other only obtains a small one, are perfectly equal in the eye of the law as citizens; the one does not exact, require, or receive greater privileges under the laws of his country than the other, *nor does one cost the State more than the other*, and therefore, in my opinion, each ought to contribute equally, and only equally—*i.e.*, the same amount of money—to the support of the institutions of his country. A like deduction is equally applicable in all professions and in all trades, indeed to every grade of every kind of industrial calling. In arguing this phase of the question, it must not be forgotten that I view acquired property as distinct from industrial earnings, and that I treat the latter by an entirely different standard to the former, taking the privileges of citizenship as the basis of the status, which I tax equally and impartially, according to their calling, without reference to the year's operations, *whether they result in a profit or in a loss*.

With regard to my “turning my back upon the main body of rational and clear-headed reformers,” I confess I flattered myself that I had overcome a difficulty which certainly has not before been met, with regard to extending the suffrage to classes which hitherto have never possessed their just political rights. Instead of turning my back upon the practical and real question at issue—*viz.*, who ought, and who ought not, of the community at large, to have a voice in the Parliamentary representation of the country—it has been my endeavour to reach all the intelligent men who now live in lodgings, and who have not hitherto been included in the franchise, and, by virtue of their status as *tax-payers*, to give them a vote. I have also endeavoured to give those working men of the country who, by their earnings, evidence the possession of an amount of intelligence which entitles them to a vote, on their contributing a given amount to

the public revenue in the form of a *status-tax*; and, in thus blending the great property, educational, and industrial interests into one constitutional and consistent form of extending the basis of the political suffrage to those interests, I have accomplished that which every "clear-headed and rational reformer" seeks to attain. The classes I have thus brought within the pale of the Parliamentary franchise have never yet been reached by any proposed measure of reform that I am acquainted with. Yet it cannot be doubted for a moment that the object and desire of every genuine constitutional reformer is to give the Parliamentary franchise to those classes to whom I have devised a safe and constitutional means of extending it. No household suffrage will embrace the *lodger* so effectually as the scheme I have propounded; and, in estimating the amount of intelligence which would not be represented by household suffrage simply, we must bring under consideration a very large portion of the commercial community, and perhaps the largest number of literary and professional men of the country, who occupy lodgings only.

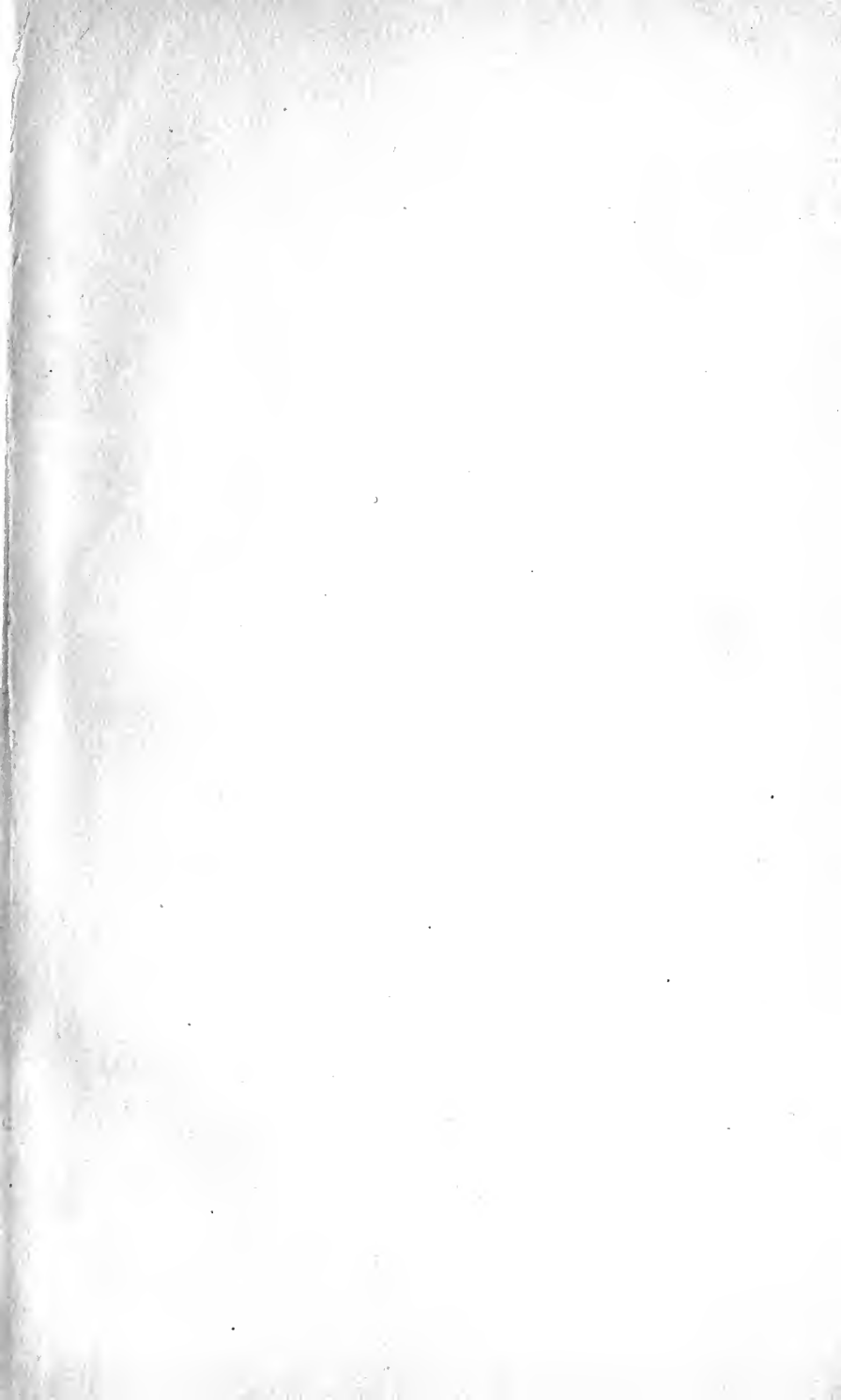
It has been further urged as objectionable that "I am one of those who would place every individual under close State cognizance," and also that "I am an educational theorist, and would whip the next generation into propriety before I granted them the suffrage." With regard to the first of these propositions, my belief is this, that the status of every person of the realm should be so defined as to allow of his claim to political rights being justly estimated; and I contend that it is owing to the absence of any practical means of arriving at a correct standard by which such claims can be fairly considered, that a Reform Bill, having for its object a consistent and equitable adjustment of the Parliamentary suffrage, has never yet been framed. The several great interests to which I have alluded, and which ought to be fully and fairly represented in Parliament, have not, up to the present time, been so eliminated by the Legislature as to permit of their admission to the franchise; and I freely admit that I am amongst those who think that such interests ought to be defined and comprehended in any measure of reform which shall profess to afford impartially and equitably a proper and due political influence to such interests, and I firmly believe that such interests cannot properly be represented in Parliament unless means be devised by which the individual qualification of the voter can be constitutionally tested; and how can it be better practically tested than by the amount each individual contributes towards the public revenue?

As to my being "an educational theorist," I think it of national significance that the commercial, educational, and intelligent industrial numbers, now perfectly destitute of a political voice, should be brought within the pale of the Parliamentary representation of the country; and I further believe that, in giving the suffrage to every man earning a pound a-week, I am

not ascending into the scale of education *only*, but that I have thereby embraced the practical working intelligence of the industrial orders, who most certainly constitute the largest, and, I may add, the most important interest in the nation; and, in my opinion, a REFORM BILL which shall fail in elasticity and principle to comprehend the continuous growth of that interest, will not be a wise or a permanent measure, for it is only by fully and freely extending to *such interest* a *b nâ fide* legitimate influence in the Commons House of Parliament, that the free Constitution of this country can maintain its present honoured eminence.

The only additional remark I shall now make is, that in arranging the representation of each constituency, I consider nothing could be more judicious or fair to all classes and interests than that the number of Members allotted to each should be regulated according to the amount of revenue contributed by each, which would be annually ascertained and officially declared by the system of taxation I have proposed; and I believe in the extension of the basis of the Parliamentary franchise of the country, as I have suggested, would be found the *only* preventive to bribery by the candidate, and the corruption of the voter.

J. L. T.





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